



CLEAN AIR & CLEAN ENERGY
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Developing financing alternatives in Ohio

**Midwest Clean Diesel Initiative
Tools and Incentives
Chicago
September 6 & 7, 2006**



The Ohio Air Quality Development Authority



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OAQDA is a non-regulatory state agency with the mission of increasing investment, public and private, in projects that improve Ohio's air quality.

- Project development and finance**
- Clean Air Resource Center**
- Ohio Coal Development Office**



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Conduit finance:

OAQDA loans money to projects from the proceeds of bond sales.

Credit analysis is based upon the project.

Capital markets from Main Street to Wall Street—local banks to international underwriters



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- **Flexible financing structures: traditional bond, private placement, business loan, capital lease, off balance sheet lease.**
- **Wide range of project size: from \$13,900 to \$1,100,000,000!**



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- **Possible additional funding:**

Clean Air Resource Center has a small business assistance fund---currently provides grants to offset costs of financing investments in CAAA required equipment.



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- **Challenges:**

Fleet size (from large to owner operator)

Credit analysis and risk analysis

Transaction costs



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- **Everybody prefers “free” money, even for investments with solid pay back.**
- **Need to combine cost savers with expenses (idle reduction with emission reduction).**
- **Limited resources must be leveraged.**



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- **Partners:**

Clean Fuels Ohio

Ohio Environmental Council

Mid-Ohio Regional Planning Council

Ohio Department of Development

**Ohio Environmental Protection
Agency**



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